



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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East West Bank, Pasadena, California Assumes All the Deposits of United Commercial Bank, San Francisco, California

FOR IMMEDIATE RELEASE

In Simplified Chinese - PDF (PDF Help)
In Traditional Chinese - PDF (PDF Help)

United Commercial Bank, San Francisco, California, was closed today by the California Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with East West Bank, Pasadena, California, to assume all of the deposits of United Commercial Bank. This agreement included all U.S. branches of United Commercial Bank, the Hong Kong branch of United Commercial Bank, and the subsidiary of United Commercial Bank headquartered in Shanghai, China, United Commercial Bank (UCB-China).

The 63 U.S. branches of United Commercial Bank will reopen during their normal business hours beginning tomorrow as branches of East West Bank. All locations in Hong Kong and China will reopen on Monday, according to normal business hours. In addition, UCB-China, the Shanghai, China, subsidiary of United Commercial Bank, which was also part of today's transaction, will continue its regular banking operations without interruption with the full support of its parent company, East West Bank, whose qualification has already passed the preliminary review by the China Banking Regulatory Commission.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-201-2009

Depositors of United Commercial Bank will automatically become depositors of East West Bank. Domestic deposits will continue to be insured by the FDIC, and the Hong Kong deposits will continue to be covered by the Hong Kong Deposit Protection Scheme and the full deposit guarantee currently in force in Hong Kong. The FDIC continues to be in close cooperation with the Chinese banking regulatory authority regarding regular operations of UCB-China.

Customers should continue to use their existing branch until they receive notice from East West Bank that it has completed systems changes to allow other East West Bank branches to process their accounts as well.

This evening and over the weekend, depositors of United Commercial Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of October 23, 2009, United Commercial Bank had total assets of \$11.2 billion and total deposits of approximately \$7.5 billion. East West Bank paid the FDIC a premium of 1.1 percent for the right to assume all of the deposits of United Commercial Bank. In addition to assuming all of the deposits of the failed bank, East West Bank agreed to purchase approximately \$10.2 billion in assets of the failed bank. As part of the purchase and assumption agreement, the FDIC transferred to East West Bank all qualified financial contracts to which United Commercial Bank was a party and those contracts remain in full force and effect.

The FDIC and East West Bank entered into a loss-share transaction on approximately \$7.7 billion of United Commercial Bank's assets. East West Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-share arrangement is projected to maximize returns on the assets covered by keeping them in the private sector. The agreement also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

U.S. customers who have questions about today's transaction can call the FDIC toll-free at 1-800-238-8209. The phone number will be operational this evening until 9:00 p.m., Pacific Standard Time (PST); on Saturday from 9:00 a.m. to 6:00 p.m., PST; on Sunday from noon to 6:00 p.m., PST; and thereafter from 8:00 a.m. to 8:00 p.m., PST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/ucb.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$1.4 billion. East West Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to alternatives. United Commercial Bank is the 120th FDIC-insured institution to fail in the nation this year, and the 14th in California. The last FDIC-insured institution closed in the state was Pacific National Bank, San Francisco, which closed on October 30, 2009.

Attachments: **United Commercial Bank Fact Sheet**

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